

## SEEP RIDGE SHALE OIL CO.

GILBERT SHALE OIL CO. — OPERATOR A KIEWIT COMPANY 5258 Pinemont Drive Suite B-280 Murray, Utah 84123 (801) 262-0108

October 19, 1984

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Mr. Jim Smith Administrator for Permitting Staff Division of Oil Gas and Mining 4241 State Office Bldg. Salt Lake City, UT 84114

OCT 25 1984

JIW

DIVISION OF OIL

Dear Jim:

On September 10, 1984, I met with Tom Tetting of your office to update him on the status of the Geokinetics project. This letter is a follow up of that discussion.

Geokinetics has completed the burn of Retort's #27 and #28. Retort #27 was shut down on June 24, 1984 and Retort #28 on August 24, 1984. The shutting down of these two retorts ended the research and development phase of the project. We are, however, continuing on site work such as baseline studies for the commercial phase.

Geokinetics and Gilbert Shale Oil Company have formed a joint venture, the Seep Ridge Shale Oil Company to manage and operate the Seep Ridge Project. As you are aware, this project is under consideration for financial assistance by the U.S. Synthetic Fuels Corporation. Headquarters of the newly formed Company are located at: 5258 Pinemont Dr., Suite B280, Salt Lake City, Utah, 84107. Please forward any future correspondance pertaining to the Seep Ridge project to this address. We also request that all previous correspondance, again, on this project be transferred on the Seep Ridge Shale Oil Company file.

Since the phase we are in at the present time is a transition between the research and development phase and the commercial phase, we request that the interin bond of \$150,000 posted by Geokinetics, remains under Geokinetics until the permit application for the commercial phase is approved by your office. At that time a new bond will be negotiated to cover the entire on site disturbance.

A permit application was originally submitted to your office on December 22, 1982. However, because of the lack of adequate baseline data this permit has not been approved. We are in the process of completing this information and we anticipate submitting a complete package within the next four to six months.

Mr. Jim Smith October 19, 1984 Page 2

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If any changes take place in the mean time we will notify your office promptly.

Thank you for your continuous cooperation.

Sincerely,

Catherine Catherine Chachas

Environmental Affairs Manager

CVC/ks

cc: J. Snyder S. Sanders M. Lekas

T. Tetting
P. Grubough-Litting